

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA**

In re: AHERN RENTALS, INC.

Case No. 11-53860-BTB

**CHAPTER 11  
MONTHLY OPERATING REPORT  
(GENERAL BUSINESS CASE)**

**SUMMARY OF FINANCIAL STATUS**

MONTH ENDED: Apr-13PETITION DATE: 12/22/11

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).  
Dollars reported in \$1

	End of Current Month	End of Prior Month	As of Petition Filing
2. <b>Asset and Liability Structure</b>			
a. Current Assets	\$100,582,616	\$106,383,460	
b. Total Assets	\$417,088,688	\$424,317,384	\$485,807,118
c. Current Liabilities	\$60,893,529	\$61,099,346	
d. Total Liabilities	\$658,852,539	\$663,738,369	\$649,919,474
			Cumulative
3. <b>Statement of Cash Receipts &amp; Disbursements for Month</b>	Current Month	Prior Month	(Case to Date)
a. Total Receipts	\$69,761,508	\$68,040,920	\$1,300,534,285
b. Total Disbursements	\$71,979,401	\$66,943,535	\$1,301,698,583
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	(\$2,217,893)	\$1,097,385	(\$1,164,298)
d. Cash Balance Beginning of Month	\$4,471,902	\$3,374,517	\$3,418,307
e. Cash Balance End of Month (c + d)	\$2,254,009	\$4,471,902	\$2,254,009
	Current Month	Prior Month	Cumulative
4. <b>Profit/(Loss) from the Statement of Operations</b>	(\$2,342,866)	(\$1,327,728)	(Case to Date)
5. <b>Account Receivables (Pre and Post Petition)</b>	\$63,040,774	\$63,829,787	(\$60,003,486)
6. <b>Post-Petition Liabilities</b>	\$275,708,721	\$280,652,603	
7. <b>Past Due Post-Petition Account Payables (over 30 days)</b>	\$1,912,133	\$3,653,214	

## At the end of this reporting month:

- |  | Yes                       | No |
|--|---------------------------|----|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)   | X                         |    |
|  | See attached notes to MOR |    |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)   | X                         |    |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court?  | X                         |    |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)   | X                         |    |
| 12. Is the estate insured for replacement cost of assets and for general liability?  | X                         |    |
| 13. Are a plan and disclosure statement on file?   | X                         |    |
| 14. Was there any post-petition borrowing during this reporting period?  | X                         |    |
| 15. Check if paid: Post-petition taxes <u>X</u> ; U.S. Trustee Quarterly Fees <u>X</u> ; Check if filing is current for: Post-petition tax reporting and tax returns: <u>X</u> .<br>(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.) |                           |    |

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 8-16-13

  
Responsible Individual

Case No.: 11-53860-BTB

## Monthly Operating Report

April 2013

Question 8: Detail listing of payments made on pre-petition debt

Date of Payment	Name of Payee	Amount of Payment	Reason for Payment
See attached Notes to Monthly Operating Report			

Case No.: 11-53860-BTB

## Monthly Operating Report

April 2013

## Question 9: Detail listing of payments to professionals

Date of Payment	Name of Payee	Amount of Payment	Reason for Payment
4/5/2013	Gordon Silver	114,783.70	Holdbacks through December 2012
4/17/2013	Gordon Silver	91,966.83	February 2013 billings
4/17/2013	DLA Piper	216,474.83	February 2013 billings
4/5/2013	Stoel Rives	2,665.90	Holdbacks through December 2012
4/17/2013	Stoel Rives	4,332.00	February 2013 billings
4/5/2013	Oppenheimer	40,000.00	Holdbacks through December 2012
4/17/2013	Oppenheimer	43,808.69	February 2013 billings
4/17/2013	Covington & Burling	130,506.92	February 2013 billings
4/5/2013	FTI Consulting	52,000.00	Holdbacks through December 2012
4/17/2013	FTI Consulting	52,011.90	February 2013 billings
4/17/2013	Kaye Scholer	63,597.29	January 2013 billings
4/4/2013	Snell & Wilmer	401.00	March 2013 billings
4/29/2013	Snell & Wilmer	4,980.36	April 2013 billings
4/17/2013	McDonald Carano	3,226.40	December 2012 - February 2013 billings
4/5/2013	Barclays	50,000.00	Work Fee deposit for Exit Financing diligence
4/5/2013	GLC Advisors	557,471.77	September 2012-March 2013 fees and expenses
4/5/2013	Jefferies	50,000.00	Work Fee deposit for Exit Financing diligence
4/5/2013	Latham & Watkins	200,000.00	Deposit for legal - Exit financing



Case No.: 11-53860-BTB

## Monthly Operating Report

April 2013

Question 11: Detail listing of payments to officers, insiders, shareholders, relatives

Date of Payment	Name of Payee	Amount of Payment	Reason for Payment
4/2/2013	Tim Lotspeich	2,500.00	Payroll
4/2/2013	Gary Willingham	608.00	Payroll
4/2/2013	Evan Ahern	7,692.31	Payroll
4/2/2013	Howard Brown	3,461.54	Payroll
4/2/2013	John Ahern	2,403.85	Payroll
4/2/2013	Terry Quattrocchi	1,346.15	Payroll
4/2/2013	Ryan Ahern	1,923.08	Payroll
4/2/2013	Fan Chou	1,923.08	Payroll
4/2/2013	Philip Keesling	240.38	Payroll
4/2/2013	Don Ahern	15,846.15	Payroll
4/2/2013	Kirk Hartle	3,846.15	Payroll
4/9/2013	Tim Lotspeich	2,500.00	Payroll
4/9/2013	Gary Willingham	640.00	Payroll
4/9/2013	Evan Ahern	7,692.31	Payroll
4/9/2013	Howard Brown	3,461.54	Payroll
4/9/2013	John Ahern	2,403.85	Payroll
4/9/2013	Terry Quattrocchi	1,346.15	Payroll
4/9/2013	Ryan Ahern	1,923.08	Payroll
4/9/2013	Fan Chou	1,923.08	Payroll
4/9/2013	Philip Keesling	240.38	Payroll
4/9/2013	Don Ahern	15,846.15	Payroll
4/9/2013	Kirk Hartle	3,846.15	Payroll
4/16/2013	Evan Ahern	12,551.76	Profit commission
4/16/2013	Terry Quattrocchi	5,750.40	Profit commission
4/16/2013	Don Ahern	25,103.52	Profit commission
4/16/2013	Tim Lotspeich	2,500.00	Payroll
4/16/2013	Gary Willingham	560.00	Payroll
4/16/2013	Evan Ahern	7,692.31	Payroll
4/16/2013	Howard Brown	3,461.54	Payroll
4/16/2013	John Ahern	2,403.85	Payroll
4/16/2013	Terry Quattrocchi	1,346.15	Payroll
4/16/2013	Ryan Ahern	1,923.08	Payroll
4/16/2013	Fan Chou	1,923.08	Payroll
4/16/2013	Philip Keesling	240.38	Payroll
4/16/2013	Don Ahern	15,846.15	Payroll
4/16/2013	Kirk Hartle	3,846.15	Payroll
4/17/2013	Tim Lotspeich	50,000.00	Bonus
4/23/2013	Tim Lotspeich	2,500.00	Payroll
4/23/2013	Gary Willingham	624.00	Payroll
4/23/2013	Evan Ahern	7,692.31	Payroll
4/23/2013	Howard Brown	3,461.54	Payroll
4/23/2013	John Ahern	2,403.85	Payroll
4/23/2013	Terry Quattrocchi	1,346.15	Payroll
4/23/2013	Ryan Ahern	1,923.08	Payroll
4/23/2013	Fan Chou	1,923.08	Payroll
4/23/2013	Philip Keesling	240.38	Payroll
4/23/2013	Don Ahern	15,846.15	Payroll
4/23/2013	Kirk Hartle	3,846.15	Payroll
4/30/2013	Tim Lotspeich	2,500.00	Payroll
4/30/2013	Gary Willingham	592.00	Payroll
4/30/2013	Evan Ahern	7,692.31	Payroll
4/30/2013	Howard Brown	3,461.54	Payroll
4/30/2013	John Ahern	2,403.85	Payroll
4/30/2013	Terry Quattrocchi	1,346.15	Payroll
4/30/2013	Ryan Ahern	1,923.08	Payroll
4/30/2013	Fan Chou	1,923.08	Payroll
4/30/2013	Philip Keesling	240.38	Payroll
4/30/2013	Don Ahern	15,846.15	Payroll
4/30/2013	Kirk Hartle	3,846.15	Payroll

re: Ahern Reports, Inc.  
Case No.: 11-53860-BTB

## Monthly Operating Report

April 2013

Question 11: Detail listing of payments to officers, insiders, shareholders, relatives

Date of Payment	Name of Payee	Amount of Payment	Reason for Payment
4/1/2013	Don Ahern	65.58	Expense reimbursement
4/1/2013	DFA, LLC	753,891.00	Rent
4/1/2013	Philip Keesling	24,801.32	Rent
4/1/2013	Xtreme Manufacturing	868,988.30	Parts, equipment for resale, rent expense
4/1/2013	Don & Paul, LLC	58,123.00	Rent
4/2/2013	Don Ahern	3,446.09	Employee loan repayments
4/2/2013	DFA, LLC	1,680.00	Rent for corporate housing
4/2/2013	Diamond A Equipment	6,859.37	Parts
4/2/2013	Equipment Connections	958.50	Consulting fees
4/3/2013	Xtreme Manufacturing	325,268.52	Parts, equipment for resale, rent expense
4/4/2013	Ahern IT, LLC	10,169.60	IT services
4/8/2013	Fan Chou	750.00	Car allowance
4/9/2013	Don Ahern	3,488.26	Employee loan repayments
4/9/2013	Diamond A Equipment	23,135.40	Parts
4/10/2013	Xtreme Manufacturing	645,199.30	Parts, equipment for resale, rent expense
4/10/2013	Enoch Stiff	20,000.00	Consulting fees
4/11/2013	Xtreme Manufacturing	139,878.74	Parts and equipment
4/12/2013	Xtreme Financial	6,926.28	Pass through commission
4/16/2013	Don Ahern	6,729.45	Employee loan repayments
4/16/2013	Diamond A Equipment	17,102.19	Parts
4/16/2013	Equipment Connections	198.28	Consulting fees
4/17/2013	Xtreme Manufacturing	720,570.07	Parts, equipment for resale, rent expense
4/18/2013	Diamond A Equipment	723.87	Parts
4/19/2013	Ahern IT, LLC	10,168.80	IT services
4/23/2013	Don Ahern	3,397.15	Employee loan repayments
4/24/2013	Don F Ahern Family Limited Partnership	39,558.00	Rent
4/24/2013	Xtreme Manufacturing	326,430.07	Parts, equipment for resale, rent expense
4/24/2013	Ahern IT, LLC	14,337.60	IT services
4/25/2013	Xtreme Manufacturing	199,513.14	Parts, equipment for resale, rent expense
4/29/2013	DFA, LLC	1,900.00	Rent for corporate housing
4/30/2013	Don Ahern	2,948.91	Employee loan repayments
4/30/2013	Equipment Connections	1,039.50	Consulting fees

**STATEMENT OF OPERATIONS**  
**(General Business Case)**

For the Month Ended 04/30/13

	<u>Current Month</u>	<u>Cumulative</u>
	<u>Actual</u>	<u>(Case to Date)</u>
<b>Revenues:</b>		
1 Gross Sales	\$32,893,924	\$518,405,068
2 less: Sales Returns & Allowances		
3 Net Sales	\$32,893,924	\$518,405,068
4 less: Cost of Goods Sold (Schedule 'B')	\$0	
5 Gross Profit	\$32,893,924	\$518,405,068
6 Interest		
7 Other Income: Other, net	\$464,581	\$598,992
8		
9		
10 <b>Total Revenues</b>	\$33,358,505	\$519,004,060
<b>Expenses:</b>		
11 Compensation to Owner(s)/Officer(s)		
12 Salaries		
13 Commissions		
14 Contract Labor		
Rent/Lease:		
15 Personal Property		
16 Real Property		
17 Insurance		
18 Management Fees		
19 Depreciation	\$6,849,134	\$116,714,433
Taxes:		
20 Employer Payroll Taxes		
21 Real Property Taxes		
22 Other Taxes		
23 Other Selling		
24 Other Administrative		
25 Interest		
26 Other Expenses:		
27 Cost of equipment rental operations	\$13,635,440	\$230,304,225
28 Cost of rental equipment sales	\$907,990	\$16,275,981
29 Cost of new equipment sales and other	\$1,906,448	\$28,397,939
30 Selling, general & administrative	\$4,992,594	\$89,100,124
31 Lease exit costs	\$82,191	\$1,260,956
32		
33	\$0	\$0
34 Interest expense	\$4,874,750	\$81,018,191
35 <b>Total Expenses</b>	\$33,248,547	\$563,071,849
36 <b>Subtotal</b>	\$109,958	(\$44,067,789)
<b>Reorganization Items:</b>		
37 Professional Fees	(\$2,452,824)	(\$15,865,297)
38 Provisions for Rejected Executory Contracts		
39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
40 Gain or (Loss) from Sale of Equipment		
41 U.S. Trustee Quarterly Fees	\$0	(\$70,400)
42		
43 <b>Total Reorganization Items</b>	(\$2,452,824)	(\$15,935,697)
44 <b>Net Profit (Loss) Before Federal &amp; State Taxes</b>	(\$2,342,866)	(\$60,003,486)
45 Federal & State Income Taxes		
46 <b>Net Profit (Loss)</b>	(\$2,342,866)	(\$60,003,486)



**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 04/30/13

**Assets****From Schedules****Book Value****Current Assets**

1	Cash and cash equivalents - unrestricted		
2	Cash and cash equivalents - restricted		\$2,254,009
3	Accounts receivable (net)	A	\$63,040,774
4	Inventory	B	\$30,036,858
5	Prepaid expenses		\$1,673,115
6	Professional retainers		\$557,245
7	Other: Deposits		\$3,020,615
8			
9	<b>Total Current Assets</b>		<b>\$100,582,616</b>

**Property and Equipment (Book Value)**

10	Real property	C	\$0
11	Machinery and equipment	D	\$248,091,726
12	Furniture and fixtures	D	\$8,331,770
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$29,583,577
15	Vehicles	D	\$22,182,797
16	Other:	D	
17		D	
18		D	
19		D	
20		D	
21	<b>Total Property and Equipment</b>		<b>\$308,189,870</b>

**Other Assets**

22	Loans to shareholders		
23	Loans to affiliates		
24	Debt issuance costs		\$4,414,050
25	Other		\$3,902,152
26			
27			
28	<b>Total Other Assets</b>		<b>\$8,316,202</b>
29	<b>Total Assets</b>		<b>\$417,088,688</b>

**Liabilities and Equity**  
(General Business Case)

**Liabilities From Schedules**

**Post-Petition**

**Current Liabilities**

30	Salaries and wages		\$2,609,562
31	Payroll taxes		\$411,502
32	Real and personal property taxes		\$1,150,866
33	Income taxes		\$0
34	Sales taxes		\$2,321,041
35	Notes payable (short term)		
36	Accounts payable (trade)	A	\$13,758,823
37	Real property lease arrearage		
38	Personal property lease arrearage		
39	Accrued professional fees		
40	Current portion of long-term post-petition debt (due within 12 months)		
41	Other: Insurance and other		\$2,339,939
42	Interest payable (see attached notes to MOR)		\$37,426,054
43	Lease exit costs		\$875,742
44	<b>Total Current Liabilities</b>		<b>\$60,893,529</b>

45	<b>Long-Term Post-Petition Debt, Net of Current Portion</b>		<b>\$214,815,192</b>
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46	<b>Total Post-Petition Liabilities</b>		<b>\$275,708,721</b>
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**Pre-Petition Liabilities**

47	Secured claims	F	\$379,244,086
48	Priority unsecured claims	F	\$2,675
49	General unsecured claims	F	\$3,897,057
50	<b>Total Pre-Petition Liabilities</b>		<b>\$383,143,818</b>
51	<b>Total Liabilities</b>		<b>\$658,852,539</b>

**Equity (Deficit)**

52	Retained Earnings/(Deficit) at time of filing		(\$184,866,047)
53	Capital Stock		\$5,915,214
54	Additional paid-in capital		
55	Cumulative profit/(loss) since filing of case		(\$60,003,486)
56	Post-petition contributions/(distributions) or (draws)		
57	Year end 2011 audit adjustments		(\$2,809,532)
58	Market value adjustment		
59	<b>Total Equity (Deficit)</b>		<b>(\$241,763,851)</b>
60	<b>Total Liabilities and Equity (Deficit)</b>		<b>\$417,088,688</b>



**SCHEDULES TO THE BALANCE SHEET**  
(General Business Case)

**Schedule A**

**Accounts Receivable and (Net) Payable**

<b>Receivables and Payables Agings</b>	<b>Accounts Receivable [Pre and Post Petition]</b>	<b>Accounts Payable [Post Petition]</b>	<b>Past Due Post Petition Debt</b>
0 -30 Days	\$29,863,890	\$11,846,690	
31-60 Days	\$16,824,048	\$1,135,789	
61-90 Days	\$6,360,104	\$440,113	\$1,912,133
91+ Days	\$14,389,671	\$336,231	
Total accounts receivable/payable	\$67,437,713	\$13,758,823	
Allowance for doubtful accounts	\$4,396,939		
Accounts receivable (net)	\$63,040,774		

**Schedule B**

**Inventory/Cost of Goods Sold**

<b>Types and Amount of Inventory(ies)</b>	<b>Inventory(ies) Balance at End of Month</b>	<b>Cost of Goods Sold</b>	
		<b>Inventory Beginning of Month</b>	
		Add -	
Retail/Restaurants -		Net purchase	
Product for resale		Direct labor	
		Manufacturing overhead	
Distribution -		Freight in	
Products for resale	\$30,036,858	Other:	
Manufacturer -			
Raw Materials			
Work-in-progress		Less -	
Finished goods		Inventory End of Month	
		Shrinkage	
Other - Explain		Personal Use	
<b>TOTAL</b>	<b>\$30,036,858</b>	<b>Cost of Goods Sold</b>	<b>\$0</b>

**Method of Inventory Control**

Do you have a functioning perpetual inventory system?

Yes ☒ No ☐

How often do you take a complete physical inventory?

Weekly See attached Notes to MOR

Monthly                     

Quarterly                     

Semi-annually                     

Annually                     

Date of last physical inventory was See attached Notes to MOR

Date of next physical inventory is See attached Notes to MOR

**Inventory Valuation Methods**

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost                     

LIFO cost                     

Lower of cost or market                     

Retail method                     

Other X

Explain                     

See attached Notes to MOR

**Schedule C**  
**Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
NONE		
Total	\$0	\$0

**Schedule D**  
**Other Depreciable Assets**

Description	<u>Cost</u>	<u>Book Value</u>
Machinery & Equipment -		
Rental equipment, net	\$248,091,726	\$248,091,726
Total	\$248,091,726	\$248,091,726
Furniture & Fixtures -		
Other property and equipment, net	\$8,331,770	\$8,331,770
Total	\$8,331,770	\$8,331,770
Office Equipment -		\$0
Total	\$0	\$0
Leasehold Improvements -		
Leasehold improvements, net	\$27,477,184	\$27,477,184
Construction in progress	\$2,106,393	\$2,106,393
Total	\$29,583,577	\$29,583,577
Vehicles -		
Transportation equipment, net	\$22,182,797	\$22,182,797
Total	\$22,182,797	\$22,182,797

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 04/30/13

		Actual Current Month	Cumulative (Case to Date)
<b>Cash Receipts</b>			
1	Rent/Leases Collected		
2	Cash Received from Sales	\$36,999,240	\$553,897,486
3	Interest Received		
4	Borrowings	\$32,762,268	\$746,636,799
5	Funds from Shareholders, Partners, or Other Insiders		
6	Capital Contributions		
7			
8			
9			
10			
11			
12	<b>Total Cash Receipts</b>	<b>\$69,761,508</b>	<b>\$1,300,534,285</b>
<b>Cash Disbursements</b>			
13	Payments for Inventory		
14	Selling		
15	Administrative		
16	Capital Expenditures	\$5,474,636	\$72,232,949
17	Principal Payments on Debt	\$39,217,138	\$793,320,864
18	Interest Paid	\$2,420,134	\$37,336,646
	Rent/Lease:		
19	Personal Property		
20	Real Property	\$1,200,812	\$19,204,955
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries		
22	Draws		
23	Commissions/Royalties		
24	Expense Reimbursements		
25	Other		
26	Salaries/Commissions (less employee withholding)	\$5,294,225	\$96,415,400
27	Management Fees		
	Taxes:		
28	Employee Withholding		
29	Employer Payroll Taxes	\$3,291,198	\$39,354,979
30	Real Property Taxes		
31	Other Taxes	\$3,016,468	\$46,100,874
32	Other Cash Outflows:		
33	Operating disbursements	\$6,182,665	\$114,964,529
34	Other selling, general, and administrative	\$1,858,079	\$31,622,018
35	Equipment held for sale	\$867,861	\$12,889,478
36	Insurance	\$1,106,480	\$20,637,790
37	Restructuring expenses	\$2,049,705	\$17,618,101
38	<b>Total Cash Disbursements:</b>	<b>\$71,979,401</b>	<b>\$1,301,698,583</b>
39	<b>Net Increase (Decrease) in Cash</b>	<b>(\$2,217,893)</b>	<b>(\$1,164,298)</b>
40	<b>Cash Balance, Beginning of Period</b>	<b>\$4,471,902</b>	<b>\$3,418,307</b>
41	<b>Cash Balance, End of Period</b>	<b>\$2,254,009</b>	<b>\$2,254,009</b>

In re: AHERN RENTALS, INC.  
Case No.: 11-53860-BTB  
MONTHLY OPERATING REPORT  
GENERAL NOTES  
April 2013

**Basis of Presentation**

The financial statements and related information contained herein are unaudited, preliminary, and may not comply with generally accepted accounting principles in the United States of America ("U.S. GAAP") in all material respects. The unaudited financial statements have been derived from the books and records of the Debtor. The financial information furnished herein includes normal recurring adjustments necessary for a fair statement of the results for the period. The results of operations presented herein are not necessarily indicative of results that may be expected for any other period.

**Method of Inventory Control and Accounting**

Parts managers at each of Debtor's branches perform a daily cycle count of at least 1% of inventory (not including rental equipment) so that a full cycle count is completed in approximately 6 months. Branch managers perform a monthly inventory count of all rental equipment assigned to their branch. Additionally, Debtor's Internal Audit department performs test counts of inventories during routine branch audits and ensures compliance with Debtor's inventory policies.

Debtor's inventories (not including rental equipment) are valued at the lower of market or cost determined by the average cost method, except to new serialized equipment units held for sale, the cost of which is determined using the specific identification method.

**Bank Accounts and Reconciliation – Schedule H**

The Debtor has, on a timely basis, completed all bank account reconciliations in the ordinary course of business. Copies of bank statements, check registers, and reconciliations are available for inspections upon request by the United States Trustee's Office.

The Debtor's bank account structure is fairly complex and the amounts reflected as Cash in Bank on Debtor's Balance Sheet are comprised of either deposits in transit or amounts drawn on the DIP Credit Facility to fund for disbursements, and until the disbursement clears the bank, this funding will show as cash in bank. The structure of the Debtor's bank accounts is very much like a zero balance sweep structure wherein draws are made on the DIP credit facility to fund disbursements as they occur and the DIP credit facility is paid down as deposits clear the bank and are swept.



**In re: AHERN RENTALS, INC.**  
**Case No.: 11-53860-BTB**  
**MONTHLY OPERATING REPORT**  
**GENERAL NOTES**  
**April 2013**

**Interest payable**

Interest payable included in the post-petition liabilities section of the Monthly Operating Report includes the following:

- Accrued and unpaid interest on the DIP revolving credit facility
- Interest accrued post-petition on the Debtor's first-lien last-out Term Loan ("Term Loan"). The Term Loan and interest accrued pre-petition on the Term Loan are included in Pre-petition liabilities – Secured Claims. The Debtor is authorized to pay post-petition interest on the Term Loan monthly in cash.
- Approximately \$35.1 million of post-petition accrued interest on the Debtor's Second Priority Senior Secured Notes ("2<sup>nd</sup> Lien Notes"). The 2<sup>nd</sup> Lien Notes and interest accrued pre-petition on the 2<sup>nd</sup> Lien Notes are included in Pre-petition liabilities – Secured Claims.

It has not been determined by the Bankruptcy Court that all the debt of the Debtor is fully secured and hence may not be entitled to any interest.

**Payments made on pre-petition debt**

The Debtor has paid prepetition obligations since the filing per first day orders and subsequent orders approved by the Bankruptcy Court. Such orders include but are not limited to: employees related obligations, shipping and warehouseman costs, selected customer practices costs, 503 b (9) claims, DIP financing costs and taxes.